

**Request for Proposals (RFP)  
For  
Program Administrator  
Wisconsin Focus on Energy Program**



**Issued:  
December 9, 2010**

**Proposals Due:  
January 20, 2011**

**For more information, please visit:  
[www.psc.wi.gov](http://www.psc.wi.gov)**

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## 1. Introduction

The Statewide Energy Efficiency and Renewable Administration (SEERA) is issuing this Request for Proposals (RFP) for the selection of an independent, experienced firm- for profit or non-profit - to be the Program Administrator for the Wisconsin Focus on Energy program. The purpose of this document is to provide interested parties (bidders) with information that enables them to prepare and submit a proposal. SEERA intends to use the results of this solicitation to award a four-year contract.

Focus on Energy is Wisconsin's statewide energy efficiency and renewable resource program. It has been in existence since 2001.

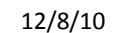
As defined in Public Service Commission of Wisconsin (PSC) Administrative Code 137.03 (1), Role of the Program Administrator, "The program administrator shall oversee a portfolio of energy efficiency and renewable resource statewide programs, in which other market providers and contractors implement measures with end-use customers." The current portfolio includes a Business Program, a Residential Program and an Environmental and Economic Research and Development Program (EERD).

SEERA seeks an experienced, motivated, lean, seasoned, executive organization to provide leadership, strategic direction, and the infrastructure required to support a team of implementation contractors. We are looking for an organization that has the ability to work collaboratively with its subcontractors while holding them accountable for achieving goals within budget in their program area. The Focus on Energy program will have a single Program Administrator with a team of implementation subcontractors as visually represented in the organization model in Figure 1 on the next page.

The Program Administrator will NOT be eligible to bid on program implementation/delivery (Sectors, Market Channels, Measurement & Verification (M&V), Emerging Technologies) activities (red boxes in Fig. 1). The focus of the Program Administrator is on high level planning and strategy as well as creating and maintaining an infrastructure to support program implementation/delivery. All implementation tasks are to be delegated to experienced subcontractors. The Program Administrator will be responsible for hiring and managing this team. This will allow the Program Administrator to remain focused and hold support and implementation contractors accountable for results. It will also:

- Create a key distinction between Administrator support, and implementation roles and responsibilities
- Reduce costs and eliminate redundancy of support services across the program
- Provide for clear cost allocations/reallocations between functional areas
- Ensure Administrator objectivity with allocated work based on expertise
- Push program design and adjustments to the field experts with input from the PSC, SEERA, utilities and Administrator

## Focus on Energy Program Organization Chart



## **2. Intent to Bid**

### **2.1. Overview**

SEERA retained the services of Nancy Giere Associates, Inc. (NGA) to assist with RFP administration. NGA will be the first point of contact for bidders throughout the proposal process. Bidders are requested to submit an "intent to bid" form via email by December 17, 2010 to [nancy@nancygiere.com](mailto:nancy@nancygiere.com). All bidders who responded with the 'intent to bid' form will receive any/all updates. Should you choose not to bid on this RFP, please submit the "not bidding" form via email to [nancy@nancygiere.com](mailto:nancy@nancygiere.com). The intent to bid /not bid form is available at the PSC link and on the SEERA RFP Google docs site. Please refer to Appendix A for instructions to access the Google docs site.

### **2.2. Bidders' Conference Call/Questions**

Bidders are encouraged, although not required, to participate in a bidder's conference call. The conference call will provide interested firms with an opportunity to seek clarification on the requirements of this RFP.

Date: December 22, 2010  
Time: 2:00 PM (Central Time)  
Dial-in Number: (877) 216-1555  
Passcode: 628978

Questions must be submitted in writing to [nancy@nancygiere.com](mailto:nancy@nancygiere.com). The deadline for questions is December 20, 2010. If you do not get an email acknowledgement that your question was received within 24 hours of submittal, please call 757-250-3337. Answers will be available by 10:00 AM Central Time on December 22<sup>nd</sup>. Bidders may ask any clarifying or follow-up questions in the bidder's conference call. Questions submitted after this date will not be addressed. Copies of all questions and answers will be posted anonymously by the close of business on December 23rd at Google docs site. No other contact with NGA, SEERA or PSC employees shall be made throughout this entire process without the express permission from SEERA. Any unauthorized contact may result in immediate disqualification.

### **2.3. RFP Due Date**

Proposals shall be submitted electronically in a .pdf format to [nancy@nancygiere.com](mailto:nancy@nancygiere.com).

**All proposals must be received no later than 5:00 PM Central Time on January 20, 2011.**

### **Acceptance of Terms and Conditions**

- The submission of a proposal shall constitute Bidder's acknowledgement and acceptance of all the terms, conditions and requirements set forth in this RFP unless exceptions are noted specifically.
- SEERA reserves the right to reject as non-responsive any proposals that do not contain the information requested in this RFP. Late proposals will be rejected. SEERA and NGA are not liable for any costs incurred by any person or firm responding to this RFP or participating in best and finals interviews.

**RFP Withdrawal**

SEERA reserves the sole and absolute right to withdraw this RFP at any time before the duly authorized execution of the contract/purchase order with the Program Administrator for any reason. In its sole and absolute discretion, SEERA may accept or reject any or all proposals, and may accept other than the lowest cost proposal. SEERA will not assume any liability, under any circumstances, to any bidder submitting a proposal in response to this RFP.

**Ownership of Proposals**

All proposals submitted by the bidders in response to this RFP shall become the exclusive property of SEERA and may be used for any reasonable purpose by SEERA.

**Proposal Confidentiality**

- To the extent possible, SEERA will attempt to keep submitted proposals confidential. However, it is possible that proposals may be requested by other interveners, and as such, full assurance of complete confidentiality is not possible. Furthermore, SEERA will not assume any liability to a bidder or other party as a result of any public disclosure of any proposal or contract/purchase order.
- The bidders agree that SEERA and PSC shall not be obligated to return the proposal to the bidder and releases SEERA and PSC from any and all liability if the proposal is lost, misplaced, stolen or destroyed.
- Bidders should not submit any information containing its or any third party's trade secrets or other proprietary or confidential information.

**Legal Claims**

The bidder must identify any pending legal or administrative action to which it is a party, and any judgments that have been rendered against it. SEERA reserves the right to reject any bidder who is party to pending legal action or against which judgments have been rendered, or who has a history of claims against it if SEERA believes that these affect the ability of the bidder to perform.

## 2.4. RFP Schedule

Task	Due Date
Release RFP	December 9, 2010
Intent to Bid Email	December 17, 2010
Questions Submitted	December 20, 2010
Email Answers to Questions	December 22, 2010
Conference Call to address questions	December 22, 2010
Written Proposals	January 20, 2011
Selection of Finalists	February 7, 2011
Interview Invited Finalists and Decision	Week of February 14, 2011
Notice of Intent to Award Sent to Vendors - Pending PSC Approval	Week of February 21, 2011
PSC Approval/Denial of Program Administrator(s) Selection	Week of February 28- March 4, 2011
Contract Negotiation and Contract Signed	March 4 – March 21, 2011
PSC Approval of Program Administrator Contract(s)	Week of March 28, 2011
Contract Start Date	April 4, 2011
New Program Start Date (Allows for 6 Week Transition)	May 9, 2011

*Note: the above schedule is subject to change at the discretion of SEERA and the PSC*

## 3. Background

### 3.1. Overview of Institutional Structure

According to 2005 Wisconsin Act 141 (Act 141), Wisconsin investor-owned energy utilities must collectively establish and fund a statewide energy efficiency and renewable resource program. Municipal utilities (munis) and cooperatives (coops) have the option to participate in this statewide program – all 82 munis and half of the coops have elected to participate. To accomplish their duties under this Act, the investor-owned energy utilities formed a non-profit organization called the Statewide Energy Efficiency and Renewable Administration (SEERA). Wisconsin Act 141 requires SEERA to contract, on the basis of competitive bids, with one or more persons to develop and administer the programs. The PSC must approve the contract between the utilities and the Program Administrator. For more information about Act 141, please refer to our Google docs site.

*Please note: SEERA is a NOT a state agency.*

### 3.2. Quadrennial Planning Process

In the summer of 2009, the PSC began its first Quadrennial Planning Process to meet its obligations under Act 141. Wisconsin Stat. 196.974 (3) (b) specifies the following:

*“At least every 4 years, after notice and opportunity to be heard, the Commission shall, by order, evaluate the energy efficiency and renewable resource programs under sub. (2) (a) 1., (b) 1. and 2., and (c) and ordered programs and set or revise goals, priorities, and measurable targets for the programs.”*



According to Act 141, the PSC must give priority to programs that intend to achieve the following objectives:

- Moderate the growth in electric and natural gas demand and usage,
- Facilitate markets and assist market providers to achieve higher levels of energy efficiency,
- Promote energy reliability and adequacy,
- Avoid adverse environmental impacts from the use of energy, and,
- Promote rural economic development.

The PSC's first Quadrennial Planning Process concluded in November, 2010. The Commission **recommended** the following annual budgets, savings targets and four-year goals for the Focus on Energy program over the next four years:

Year	Recommended Electric Targets		Recommended Natural Gas Targets		Recommended Funding Levels
	Percentage Basis	In millions of kWh*	Percentage Basis	In millions of therms*	
2011	0.75%	523	0.50%	18	\$120
2012	1.00%	705	0.75%	27	\$160
2013	1.25%	890	1.00%	35	\$204
2014	1.50%	1,078	1.00%	35	\$256
<b>4-year Goal</b>	-	<b>3,196</b>	-	<b>115</b>	-

*\*Historical energy sales data to determine projected load are still being finalized, but overall totals are not expected to change significantly.*

**The recommended funding levels have not yet been approved as of the publication of this RFP.** All bidders who responded via the 'intent to bid' form will receive any/all budget approval updates. Please use the budget amounts specified in Section 6 for the purpose of this proposal.

During the Quadrennial Planning Process, the PSC also determined that the Program Administrator shall be held to gross life-cycle energy savings goals in their contract with SEERA. Life-cycle savings goals will not be determined during this RFP process. Once a Program Administrator is chosen, they will work with the PSC, SEERA, and the sectors to determine life-cycle goals.

For further details on the Quadrennial Planning Process and to read the full Commission Order, please refer to the following documents on our Google docs site:

- Quad Plan
- Final Order

### 3.3. Focus on Energy Program Overview

The following information is intended to help bidders understand how statewide energy efficiency and renewable programs are currently implemented in Wisconsin.

Focus on Energy (Focus or Program) works with eligible Wisconsin residents and businesses to install cost-effective energy efficiency and renewable energy projects. Focus provides financial incentives, education, information and other resources to help implement projects that otherwise would not be

completed, or to complete projects sooner than scheduled. Its efforts help Wisconsin residents and businesses manage rising energy costs, promote in-state economic development, protect our environment, and control the state's growing demand for electricity and natural gas.

Focus currently provides the various energy management and renewable energy options and incentives to customers via sectors or markets – residential, commercial, industrial, schools and government and agribusiness. Focus also has a well-developed market channel program that helps trade allies to participate in the program. In addition to these statewide programs, Focus on Energy provides additional services in Wisconsin Public Service Corporation's (WPS) service territory as a result of an Energy Efficiency Stipulation (WPS Stipulation) approved by the Commission in docket 6690-UR-119. The WPS Stipulation is planned and budgeted for separately. While the expectation is that the Program Administrator will also administer WPS Stipulation programs, this RFP solely addresses Focus on Energy statewide efforts.

A complete list of 2010 program plans and incentives for Business Programs, Residential Programs and the WPS Stipulation may be found on our Google docs site.

## **4. SEERA and PSC Roles and Responsibilities**

### **4.1. SEERA**

As Contract Administrator, SEERA anticipates providing high-level administrative guidance and direction. As contract administrator, SEERA will (not listed in priority order):

- Assist with program administration, as required
- Approve performance standards
- Conduct (at least) quarterly performance reviews with Program Administrator, with input from the PSC
- Assist Program Administrator with interactions with utility partners, as required
- Respond to Program Administrator inquiries in a timely fashion
- Contract and fund the Fiscal Agent
- Contract and fund the Compliance Agent
- Review and approve evolving program design

In addition to the Program Administrator, SEERA funds two other program agents:

#### ***Fiscal Agent***

SEERA retains the services of a Fiscal Agent in its duties as the overall Contract Administrator. The Fiscal Agent receives payments from participating utilities, receives approved invoices from work performed and customer incentives from the PSC, and pays out these amounts. All subcontractor and incentive payments must go through the Fiscal Agent unless otherwise approved in advance by the PSC.

#### **Compliance Agent**

SEERA retains the services of a Compliance Agent to fulfill its duties as the Contract Administrator. The Compliance Agent performs the annual audit of the Focus program, an annual audit of the Program Administrator and periodic audits of its subcontractors.

#### **4.2. PSC**

In its oversight role, the PSC will (not listed in priority order):

- Set and review goals and budgets, and assist with any 'course corrections' input or analysis, as required
- Provide overall program oversight
- Work with Program Administrator and SEERA to reach mutually agreeable performance metrics
- Provide periodic review of program metrics
- Respond to Program Administrator inquiries in a timely fashion
- Review and approve invoices and ensure program activities are within budget and on schedule
- Oversee management and coordination of the Evaluation Contractor
- Review and approve printed materials and advertising plans
- Work with the Program Administrator and SEERA, as necessary, to meet any legislative or other reporting requirements
- Review and approve utility voluntary programs

Per Act 141 the PSC has one subcontractor:

##### ***Evaluation Contractor***

The PSC will retain the services of an independent Evaluation Contractor to fulfill part of its oversight duties. The Evaluation Contractor may use customer or market provider surveys, an assessment of available market data, or other approaches to fulfill its duties. The Program Administrator will be required to provide the Evaluation Contractor with program data and other information, along with review and comment on evaluation plans and results. In the Quadrennial Planning process the Commission established an Evaluation Work Group to address evaluation issues over time. These issues include the development of new guidelines for selecting the appropriate attribution measurement method(s), reviewing the current application of self-report and market data methods used in other states, and recommend changes to improve the accuracy of Wisconsin's evaluation results. For more information refer to the August 2, 2010 Commission meeting summary memo at our Google docs site.

## **5. Scope of Services**

As defined in PSC Administrative Code 137.03 (1), Role of the Program Administrator, "The program administrator shall oversee a portfolio of energy efficiency and renewable resource statewide programs, in which other market providers and contractors implement measures with end-use customers."

While the Program Administrator will not perform any implementation functions, they are responsible for the overall program structure, coordination, hiring and management of implementation contractors to achieve savings and performance goals. This includes all sectors, Measurement and Verification (M&V), Market Channels and Emerging Technologies. The Program Administrator defines what needs to get accomplished and then hires the right firms to design and implement programs to achieve desired energy savings within the established budget. Please refer to the program plans at our Google docs site and [www.focusonenergy.com](http://www.focusonenergy.com) for more information about the current Business and Residential Programs.

Bidders for this RFP will not be eligible for bidding on implementation/delivery Sectors, Market Channels, M&V and Emerging Technologies.

Bidders for this RFP will ultimately need to address each of the areas described below with demonstrated evidence of experiences, capabilities, approaches and accomplishments.

### **5.1. Minimum Qualifications**

The Bidder responding to this RFP must have at least the following minimum qualifications to be considered for selection:

- At least 5 years of experience with program administration and design of similar types of energy efficiency and renewable resource programs for utility sponsored or other system benefit charge funded programs
- Demonstrated organizational, financial, and data tracking and reporting abilities
- Demonstrated commitment to quality and customer service

### **5.2. Program Management**

The following is a summary of SEERA's expectations for the Program Administrator's management functions (not listed in priority order):

- Provide strategic direction and overall vision for the program
- Keep current on programs and initiatives at the state, regional, national and international level
- Work with SEERA and the PSC to establish overall program targets, goals and objectives
- Prepare **high level** program plans that consolidate the program plans for each sector into a consistent cohesive document
- Create and/or maintain an infrastructure to support implementation contractors. Key support functions include:
  - Administration
    - Contract (and Sub-contract) Management
    - Database Management and Integration with the Enterprise System
    - Financial Management
    - Incentive Payment Management
    - Quality Assurance and Quality Control (QA/QC)
    - Tracking and Reporting
  - Marketing
  - Research
    - Market Research
    - Environmental and Economic Research and Development (EERD)
  - Utility Coordination
  - Training
  - Call Center
- Hire the best implementation contractors for the job and leverage their expertise in the design and delivery of innovative, comprehensive, cost effective programs to their sector or target market
- Set clear program standards and performance metrics to ensure that implementation contractors are held accountable for goal achievement and cost effective program delivery
- Facilitate a collaborative relationship between administrative and implementation team members

- Develop and implement an internal communication and information sharing system
- Design an organizational structure with a clear line of authority, responsibility, and accountability
- Create an overall market segmentation approach and strategy that allows for teaming across sectors resulting in seamless, customer-focused program delivery
- Be the primary point of contact/liaison for communication with:
  - SEERA
  - PSC
  - Program Evaluator(s)
  - State and federal agencies
  - Fiscal Agent
  - Auditor/Compliance Agent
- Identify opportunities for continuous administrative improvement (e.g. leverage technology, streamline processes), efficiency measures and cost reduction while maintaining customer satisfaction
- Consult, communicate and coordinate with utilities about overall strategy, program offerings, communication plans, voluntary programs, and integrated delivery options (as of December 2010, three utilities have a portfolio of voluntary programs)
- Foster a culture of innovation and creativity
- Develop a program-wide customer service mindset. While Focus on Energy isn't a customer satisfaction program, it is important for everyone to understand that actions of program staff have an impact on utility customer satisfaction levels
- Facilitate appropriate training for maintaining confidentiality, program systems and processes
- Establish an escalation route to mediate disputes and resolve conflicts
- Maintain compliance with applicable federal, state and local statutes, ordinances, orders, rules and regulations
- Maintain confidentiality of customer information

### **5.3. Program Administration, Infrastructure and Support**

The Program Administrator will oversee the following categories of activities, essential for program administration, infrastructure and support:

#### **5.3.1. Administration and Infrastructure**

##### **Contract (and Sub-contract) Management**

The Program Administrator will solicit, hire and/or contract with all necessary staff and contractors to effectively perform the scope of services outlined in this RFP. The Program Administrator must develop and implement procedures to assign, monitor, review and approve completed work, and to work with the Fiscal Agent to ensure that sub-contractors are compensated in a timely manner. Please refer to the current Policy and Procedures Manual on our Google docs site.

##### **Database Management**

The Program Administrator must ensure that all customer data is recorded accurately and consistently into program databases. In 2010, SEERA will be releasing an RFP for an Enterprise System to track and manage:

- energy savings and usage
- customer relations

- energy efficiency and renewable energy projects
- incentive applications, internal approvals, payments and processing
- customer, property, and utility information
- marketing initiatives
- workflow
- contractor invoicing, budgeting, approval, and payment
- incentive budgets

The Enterprise System will replace two primary database systems and several auxiliary ones. Currently residential incentives and projects are run on a series of MS Access databases that are housed by the current Program Administrator. Business incentives and projects reside in a system called WISEerts and are housed at the PSC. The new system will be implemented in phases and is expected to be completed in late 2011. The selected Program Administrator will play a key role in the configuration, implementation, user training, and ongoing maintenance of this new system. They will also work on the data migration from the old systems. The new system will run in a third party hosted environment.

The Program Administrator must have data security protocols in place to protect the improper disclosure and release of customer data and other confidential information in either electronic or hard form.

### **Financial Management**

The Program Administrator is responsible for making sure payments to program customers and contractors are legitimate, accurate, and allowable. As such, they will need to have defined processes with adequate controls in place to prevent fraud and payment mistakes.

The Program Administrator will work closely with the program's Fiscal Agent to fulfill customer and contractor payments in a cost effective and timely manner. The Fiscal Agent is an accounting firm that handles all the accounting, tax, and fiscal functions for the program. The Program Administrator is required to use financial systems for the programs that are compatible with the systems used by the Fiscal Agent (for example, the Fiscal Agent currently uses Great Plains software).

The Program Administrator will work with the Fiscal Agent and the PSC to:

- Create and maintain relevant and useful program reports
- Eliminate duplicative record keeping and report creation
- Review and approve contractor invoices and customer incentives
- Assure contractor adherence with the program's Policy and Procedures Manual
- Cooperate and help facilitate annual compliance audits
- Create and improve process controls, as needed
- Adhere to generally accepted accounting practices (GAAP)

The implementation of the previously mentioned Enterprise System will have some substantial impacts on the program's processes. Due to the timing, the selected Program Administrator will be involved with maintaining the existing processes and systems while the development and transition to the new Enterprise System is realized.

### **Incentive Payment Management**

The Program Administrator must ensure that customer incentives are provided to customers in a timely and efficient manner. Provided below is a snapshot of the previous three years of performance history by program:

<b>Program</b>	<b>2008 Incentive</b>	<b>2009 Incentive</b>	<b>2010 Incentive (projected*)</b>
Business	\$ 21,594,911.17	\$ 35,376,125.63	\$ 40,329,517
Residential	\$ 13,515,500.38	\$ 16,035,792.94	\$ 17,792,078

\*Based on expenditures through September and projected out based on monthly average.

Incentives must be budgeted for and tracked separately from other administrative and implementation costs. All incentives are paid through the Fiscal Agent.

For a complete list of current measures and incentives, refer to our Google docs site or [www.focusonenergy.com](http://www.focusonenergy.com).

### **Quality Assurance and Quality Control**

The Program Administrator is responsible for developing and maintaining generally accepted practices/processes/formats/standards for energy saving calculations and project documentation used by sectors and evaluation coordinators. This will ensure the highest workmanship standards at all levels within the program. The primary focus of this effort is application processing and verification that implemented projects meet program standards. The Program Administrator will determine the percentage of projects that need to be inspected and tested.

### **Tracking/Reporting**

The Program Administrator is responsible for submitting reports to the PSC/SEERA including weekly status updates, and monthly, semi-annual, and final reports on activities, accomplishments and performance. The Program Administrator must also work with the PSC as necessary to meet any legislative or other reporting requirements.

### **5.3.2. Support**

#### **Education and Training**

The Education and Training coordinator works closely with sectors/implementers (and utilities) to provide continuous learning opportunities, curriculum, processes, tools, resources and industry expertise that benefit end-use customers, market providers, utility representatives, and Focus staff statewide. In addition to traditional classroom, customer site settings, online learning, and webinars, other cost effective, technology-rich approaches should be explored to present best practices core classes, U.S. DOE, and Building Operator Certification workshops along with new offerings.

#### **Marketing**

Marketing is responsible for the Program's branding, identity, messaging, media vehicles (print, website, events, social media), PR, advertising and awareness tactics (print, broadcast, multi-media), metrics, research, and marketing planning/coordination. Marketing supports and coordinates marketing efforts with sectors/implementers and utilities on an ongoing basis.

### **Utility Coordinator**

The utility coordinator is the liaison between the Program and the statewide network of investor-owned and municipal utilities and cooperatives.

### **Market Research**

The purpose of this function is to leverage current information from reports and other existing data as well as create a plan to ensure that Focus creates new, innovative programs and retires current programs as the market continually transforms in the state of Wisconsin. The Program Administrator will ensure that there is a balance between analysis and actionable efforts.

### **Environmental and Economic Research and Development (EERD) program**

The Program Administrator will manage the Environmental and Economic Research and Development (EERD) program. This program is currently managed by a separate Program Administrator. Managing this program under the same Program Administrator as the Business and Residential portfolios allows the EERD program to leverage the strengths of the larger Focus structure and more closely tie EERD research to other Focus programs.

As defined by Act 141, EERD was designed to support research projects that study the environmental and economic impacts of energy use in Wisconsin. The EERD program's primary goal is to contribute practical and useful knowledge to planning the state's energy future by:

- Identifying gaps in environmental and economic knowledge
- Filling (some) gaps by funding appropriate research

To determine research needs and make recommendations on what projects to fund, the EERD program has a Forum with representatives from nine organizations in the state. A research RFP has been released once per year to solicit new projects. For more information on the Forum and the current portfolio of research projects and grantees, refer to [www.focusonenergy.com/Enviro-Econ-Research/](http://www.focusonenergy.com/Enviro-Econ-Research/).

A sum of \$2,000,000 has been **recommended** in the Quadrennial Plan for EERD funding efforts. For the purpose of this RFP, annual funding levels are typically between \$1.5 and \$1.7 million.

### **Call Center**

A call center, staffed by qualified customer service representatives experienced in handling customer inquiries and well trained on program elements is a critical component of the program. Capturing customer interface metrics and service level improvements will be tracked via quality assurance reporting.

## **5.4. Program Transition Responsibilities**

It is expected that the winning bidder will work with the current Program Administrators to accomplish as smooth a transition as possible. The transition must be performed in an organized and efficient manner with minimum disruption to customers, market providers, program allies, and other partners. Below are transition responsibilities that must be addressed and/or taken into consideration in a bidder's proposal.

### **Existing Program Implementation Contractors**

In order to avoid a gap in customer services and confusion, the winning bidder will initially contract with the current implementation and support contractors (with the exception of the



EERD program, which is an administrative function). Bidders should include a potential transition plan for the current implementation and support contractors (which sectors to rebid first and when, etc.). A current list of existing Business and Residential program contractors is provided at our Google docs site.

#### **Data, Equipment, and Materials**

The winning bidder will work with the current Program Administrator to transfer over data, equipment, and materials that have been purchased and developed using Focus funds.

## **6. Budget**

As indicated in 3.2 above, the PSC's recommended funding levels for 2011 through 2014 have not yet been approved. For the purpose of this proposal, budgets will be based on current funding levels. For April-December 2011 the total program budget is approximately \$52.2 million. Bidder's proposed administration budgets for this period **may not exceed \$5.2 million**. The 2012 program budget is approximately \$77.8 million. Bidder's proposed administration budgets for 2012 **may not exceed \$7.8 million**. These budget amounts do not include dollars for the WPS Stipulation. These budgets are set in another process which will occur after the new Program Administrator has been selected.

For the purpose of this proposal, bidders are only required to provide their proposed budgets for 2011 and 2012. Budgets for 2013 and 2014 will be finalized once funding levels have been established.

### **6.1. Standard**

Bidders are requested to indicate the overall budget – direct and indirect costs – required per year including staff billing rate and any start-up costs for each of the following categories:

#### **Direct Costs**

- Labor – amount that will be paid to employees with any markup/profit included. Any type of employee bonus, fringe or other benefits should also be included here. Please make a notation of any compensation methods other than hourly rate or salary (example: performance bonuses)
- Supplies - consumable items with short useful lives, equipment under \$500
- Travel –mileage, meals, hotel rooms, etc.
- Equipment and other capital expenditures – any type of tangible equipment or item that is specifically purchased and used for the Focus on Energy Program. This applies to items \$500 or greater. Focus on Energy retains the ownership rights to equipment at this price level if purchased solely with Focus on Energy funds
- Other direct costs – miscellaneous costs that do not fit into any of the above line items (please identify)

### **Indirect Costs**

This includes any costs incurred which benefits common activities in the organization and therefore cannot be readily assigned to a specific area of that organization's business. Examples of indirect costs may include rents, accounting staff, utilities, etc. These types of indirect costs must be assigned by some systematic allocation method and must be allocated to each program/line of business on a consistent and equitable basis. The allocation method must be auditable.

### **6.2. Mandatory Budget Template**

Use the budget template in Figure 2 to provide a breakdown of costs for the key areas outlined in this proposal. Please provide information on tasks that will be provided by your organization as well as tasks you plan to subcontract. If you have selected a subcontractor to perform specific functions please provide us with your rationale for selecting each subcontractor.

The **Budget Summary** at the top of the **Budget Template** summarizes the totals for the **Administrative Functions Budget** and the **Support Functions Budget** in the following two tables. Cells are colored coded to show the relationship between the **Budget Summary** and the totals from each of the subsequent tables.

**Please note: This example has been populated with numbers for illustrative purposes only.** It assumes that Incentive Payment Processing, Marketing, Training, and Market Research are subcontracted. Bidders are expected to put together a team of internal and external resources that leverages each organization's core competencies. A copy of the budget template in an excel format is located on our Google Docs site.

**Figure 2. Budget Template**

**Budget Summary**

	Program Administrator	Administration	Utility Coordination	Marketing	Training	Market Research	EERD	Call Center	Total
Total Administrative Costs	\$ 11,650	\$ 77,050	\$ 7,150	\$ 7,150	\$ 7,150	\$ 7,150	\$ 7,150	\$ 7,150	\$ 124,450

**Administrative Functions Budget**

	Program Administrator Management Team	Contract Management	Financial Management	Incentive Payment Processing	Database Management	QA/QC	Tracking & Reporting	Total Admin Functions	Total Admin & Management
Number of Employees in FTEs	1.00	1.00	1.00	1.00	1.00	1.00	1.00	7.00	8.00
Direct Costs									
Labor	\$ 5,000	\$ 5,000	\$ 5,000	\$ 1,000	\$ 5,000	\$ 5,000	\$ 5,000	31,000.00	36,000.00
Supplies	\$ 50	\$ 50	\$ 50	\$ 25	\$ 50	\$ 50	\$ 50	325.00	375.00
Travel	\$ 100	\$ 100	\$ 100	\$ 25	\$ 100	\$ 100	\$ 100	625.00	725.00
Equipment & Other Capital Expenditures	\$ 5,000	\$ 5,000	\$ 5,000	\$ 1,000	\$ 5,000	\$ 5,000	\$ 5,000	31,000.00	36,000.00
Subcontractors				\$ 5,000				5,000.00	5,000.00
Other Direct Costs	\$ 1,000	\$ 1,000	\$ 1,000		\$ 1,000	\$ 1,000	\$ 1,000	6,000.00	7,000.00
Total Direct Costs	\$ 11,150	\$ 11,150	\$ 11,150	\$ 7,050	\$ 11,150	\$ 11,150	\$ 11,150	\$ 73,950	85,100.00
Indirect Costs	\$ 500	\$ 500	\$ 500	\$ 100	\$ 500	\$ 500	\$ 500	\$ 3,100	\$ 5,700
Total Costs	\$ 11,650	\$ 11,650	\$ 11,650	\$ 7,150	\$ 11,650	\$ 11,650	\$ 11,650	\$ 77,050	\$ 142,450

**Support Functions Budget**

Category <sup>1</sup>	Utility Coordination	Marketing	Training	Market Research	EERD	Call Center	Total
Subcontractor <sup>2</sup>							
Number of Employees in FTEs	1.00	1.00	1.00	1.00	1.00	1.00	6.00
Direct Costs							
Labor	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	6,000.00
Supplies	\$ 25	\$ 25	\$ 25	\$ 25	\$ 25	\$ 25	150.00
Travel	\$ 25	\$ 25	\$ 25	\$ 25	\$ 25	\$ 25	150.00
Equipment & Other CapEx	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	6,000.00
Subcontractors	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	30,000.00
Other Direct Costs							-
TOTAL Direct Costs	\$ 7,050	\$ 7,050	\$ 7,050	\$ 7,050	\$ 7,050	\$ 7,050	\$ 35,250
Indirect Costs	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	\$ 100	600.00
TOTAL COSTS	\$ 7,150	\$ 7,150	\$ 7,150	\$ 7,150	\$ 7,150	\$ 7,150	\$ 35,750

### **6.3. Performance Incentives**

Bidders must present a Performance Incentives and Penalties proposal, which would reward you for achieving or exceeding the four-year gross life-cycle energy saving goals within the annual budgets along with other metrics, such as improved customer satisfaction, new customers joining the Program, labor \$/Mw hour reduction, operational efficiencies, etc. The amount of potential performance incentive must be factored out of stated available bidder budgets. Bidders are also requested to propose an equivalent penalty structure for failure to achieve goals, or a justification for why a penalty structure is not appropriate.

### **6.4. Compensation Structure**

In addition to submitting a performance incentive proposal, bidders are asked to propose alternative compensation structures, or concept ideas, for consideration by PSC/SEERA as a way to distinguish your bid from competitors. SEERA is interested in meaningful and creative responses that will help ensure goals are achieved. All alternative compensation structures will be considered and are subject to negotiation. For example, at their discretion, bidders may propose:

- a) Pay for Performance: A “pay for performance” compensation structure which pays the bidder an amount per kWh and kW saved (or additional metrics) or a different compensation or partial pay for performance approach
- b) Hold Back: Bidders may propose a portion of their invoices be “held back” in good faith, until annual performance targets are achieved
- c) Other: Bidders may propose other compensation or performance incentive structures for consideration

## **7. Selection Process**

### **7.1. Preliminary Screening**

Bidder proposals will first go through an initial screening to ensure that all mandatory requirements of the RFP are met by the bidders. Failure to meet the mandatory requirements will result in rejection of the proposal. In the event that all bidders do not meet one or more of the mandatory requirements, SEERA reserves the right to continue the evaluation of the proposals and to select the proposal which most closely meets the requirements specified in this RFP.

### **7.2. Selection Process**

Bidder proposals will be evaluated and scored by an RFP Evaluation Committee (Committee). The Committee will consist of five members, including one PSC staff person and four SEERA board members or utility representatives of their choosing.

The Committee will rank bidder proposals using a percentage weighted system. Each section is given a percentage weight, and within each section, individual items are listed. Each proposal will be scored individually. Once the proposals are evaluated, the Committee may interview up to three bidders with the highest ranking scores and assess the bidders’ ability to perform the tasks outlined in their proposals.

Based on the interview/oral presentation, the Committee may revise their ranking of the proposals. Interview criteria will include quality of presentation, interaction and cohesiveness of team and responses to questions. Re-evaluation must be documented by Committee members, indicating

new information or understanding gained from the interview on which the new rankings are based. The Committee will then submit its review to the SEERA Board with a recommendation on the candidates.

The Committee's recommendation will not be binding on the SEERA Board. The Board will review the Committee's recommendation and may, at its sole discretion, choose to further review and evaluate any and/or all bidder proposals before submitting its final recommendation to the PSC for approval.

### **7.3. Interviews and Presentations**

Top-scoring bidders based on evaluation of the written proposals will be required to participate in interviews to support and clarify their proposals when requested by SEERA. SEERA will make every reasonable attempt to schedule each interview at a time and location that is agreeable to the bidder. Failure of a bidder to interview on the date scheduled may result in rejection of the bidder's proposal. The criteria for interviews will include:

- Quality of presentation
- Interaction and cohesiveness of the team
- Responses to questions

## **8. Response Format and Proposal Requirements**

Bidders are requested to prepare concise, yet complete, proposal responses. Excessive length is not encouraged – no more than 30 pages + cover letter and relevant attachments. Our format preference for responses is a .pdf document, Calibri or Arial size 11 font, with numbered pages.

Proposals should provide a concise yet complete description of the bidder's approach and capabilities for satisfying the required services outlined in this RFP. In the event that a bidder chooses not to respond to any section of the RFP format, they should then indicate its reason for the omission of a response in place of the appropriate section.

In addition, bidders should address any and all anticipated difficulties and/or problem areas along with potential approaches to their resolution. Responses that identify staffing limitations or budget constraints, or other specific challenges in achieving desired program goals, along with recommendations to overcoming challenges, will be well received. The bidder is also encouraged to pro-actively present additional information and responses, not specifically requested, which helps demonstrate understanding of the market and ability to achieve program goals. This is especially relevant to the discussion of performance goals and approach.

The proposal should include the following sections:

- Cover Letter
- Table of Contents
- Approach to Scope of Services
- Unique Assets
- Organizational and Management Capabilities
- Cost Proposal

## **8.1. Approach to the Scope of Services (50% Weight)**

### **8.1.1. Program Management**

Section 5.1 Program Management is a summary of SEERA's expectation for the Program Management Functions. The following are considered key success factors for the Program Administrator:

- Strategic Thinking
- Leadership
- Collaboration and Teamwork
- Accountability and Responsibility
- Communication (clear, consistent, timely and accurate)

With these in mind, please answer the following questions in the sequence shown below. Please include the question number in your response.

1. What is your vision for the program? Where do you plan to take the program over the next four years? Please provide your approach for creating a strategic plan. What information, resources and people would you include in this effort? What is your overall communication approach and strategy?
2. As Program Administrator, it will be your job to work with SEERA and the PSC to establish overall program targets, goals and objectives. Please describe how you will manage this effort. How will you communicate this information to your implementation and support contractors? What role do you anticipate they will play in this process?
3. Once high level goals and targets are set, how will you work with your implementation and support contractors to design the overall portfolio of programs?
4. Section 5.4 addresses the transition plan. As Program Administrator, you will be expected to assemble the best team of implementation and sub-contractors to design and deliver the Focus program. Given what you know today, how would you make changes to the current implementation team and maintain customer satisfaction? Please provide a 12 month strategy, timeline and Gantt chart for your transition plan.
5. Figure 1 depicts a program model for Focus on Energy. Would you keep or modify the current sector structure? Please explain your rationale for this decision. Please include how your design ensures an organizational structure with a clear line of authority, responsibility, and accountability. How does this structure create an overall market segmentation approach and strategy that allows for teaming across sectors resulting in seamless, customer-focused program delivery?
6. Please describe how you have effectively worked with contractors whom you have hired because they have a specific core competency. What steps did you take to help them to be successful? How did you leverage their expertise in the design and delivery of innovative, comprehensive, cost-effective programs to their sector or target market?
7. Please provide an example of how you have set clear program standards and performance metrics to ensure that implementation contractors are held accountable for goal achievement and cost-effective program delivery.
8. What is your approach to ensuring accuracy, integrity, and quality by participating sub-contractors?

9. Please provide an example of how you were able to work collaboratively with both sub-contractors and your prime contractor. How would you apply that experience to this project?
10. Please provide an example of how you set up an escalation route to mediate disputes and resolve conflicts. How would you apply that experience to this program?
11. As Program Administrator, you will be the primary point of contact/liaison for communication with:
  - SEERA
  - PSC
  - Program Evaluator(s)
  - State and federal agencies
  - Fiscal Agent
  - Auditor/Compliance Agent

How will you maintain effective communication with each of these stakeholders?
12. Please describe your approach to continuous improvement. How have you been able to leverage technology and streamline processes to improve operations?
13. In addition to communicating with SEERA, you will need to communicate with different levels of utility staff about overall strategy, program offerings, marketing communication plans, voluntary programs, and integrated delivery options. What type of utility coordination team will you put in place? What will your overall communication strategy be?
14. How would you foster a culture of innovation and creativity? Please provide an example of a past success in this area.
15. How will you develop a program-wide customer service mindset?
16. How will ensure that confidentiality of customer information is maintained across program systems and processes?
17. For each of the support functions listed in section 5.3.2, please describe how you would handle each area. What work have you done for other clients? Which functions are core competencies for your organization? Which functions will you subcontract?

#### **8.1.2. Administration and Infrastructure**

Describe your approach for general management, budgeting, financial management, and reporting.

##### **1. Contract (and Sub-contract) Management**

- Please describe your approach and process to contract management. How do you recruit, hire, train, manage and reward sub-contractors?
- Please describe your approach to overseeing the performance of program sub-contractors and implementers. How you will you manage to achieve results within budget, and ensure excellent customer satisfaction? What will be your approach and

philosophy toward identification of problems early and implementing adaptive program design, if required?

**2. Database Management**

Please describe your experience working with Enterprise Systems. How have you integrated with client systems on past projects? What experience does your firm have with the implementation and management of Enterprise Systems?

**3. Financial Management**

Describe your financial management experience and systems. Please review and confirm your capability to develop, implement, and maintain the necessary budgeting, invoicing, expenditure approval, payroll, and financial accounting systems to review, approve, and track budgets, invoices, and payments to sub-contractors, program implementers, employees, and customers. Please confirm that your financial accounting system is consistent with generally accepted accounting practices. Please also confirm that you shall be able to provide information and documentation required for independent annual financial audits.

**4. Incentive Payment Management**

Realizing implementation of a new Enterprise System will begin in 2011, please describe your plan to process incentive applications, ability and time required to issue incentive checks, track participant and program savings data, and issue reports.

**5. Quality Assurance and Quality Control**

- Describe the key elements required to maintain quality assurance and control for the program to ensure minimal mistakes and customer service problems. Please include performance standards, key metrics, processes and reporting you would include in your QA/QC efforts. This should include maintaining regulatory compliance, integrity of engineering/energy savings estimates project documentation, protection of utility customer data and program data files. How would these QA/QC efforts be coordinated with the sectors and evaluation?
- Please discuss your firm's previous experience, if any, working with E/M&V contractors who are tasked to verify program savings and conduct process and impact studies. Please discuss how you will coordinate with the E/M&V contractors on an ongoing basis.

**6. Tracking/Reporting**

Describe your ability to analyze information and prepare monthly, quarterly, and annual reports detailing program results to date, anticipated activities, accomplishments, issues, and opportunities. Please include reports that have helped you to achieve success in other programs.



### **8.1.3. Support**

Please indicate how you will handle each of the following support functions. Please designate which items are core competencies for your organization, and which functions will be subcontracted to another organization.

#### **1. Education and Training**

Please describe your approach and capabilities to manage education and training to support the program including overall course management, registration and course development.

#### **2. Marketing**

Please describe your approach and capabilities to develop a marketing and communications plan to support the program. How will you handle overall brand management, umbrella marketing, sector and utility specific marketing efforts?

#### **3. Utility Coordination**

In addition to regular communication with SEERA, it is important to coordinate the efforts of Focus on Energy with utility representatives at all levels of their respective organizations. Please describe how you will develop and maintain these relationships.

#### **4. Market Research**

- Describe your approach to market research for the overall program. Describe the frequency and type of research needed to support the long term success of the program.
- How will you structure and manage the research grants process for the EERD program?

#### **5. Call Center**

Please describe your ability and experience to staff a customer service toll-free telephone line/call center for trade allies and customers interested in learning more about how to participate in the program.

### **8.2. Organizational and Management Capability (40% Weight)**

Bidders are requested to describe their organization and/or team's experiences and capabilities with the activities described in Section 5 of this RFP for managing the well-established Focus program. Bidders must provide detailed information of their overall qualifications and must also demonstrate prior experience in administering energy efficiency and renewable programs.

#### **8.2.1. General Management Requirements**

The following must be attached or included in the bidder's proposal:

- Management and Organizational Chart for all roles and responsibilities. Please include information on all proposed subcontractors
- Describe your current or planned business structure (e.g. for-profit corporation, not-for-profit corporation, partnership, etc.), previous experience of proposer in administering energy efficiency or renewable energy programs (includes Focus programs, if applicable), and performance level (energy savings goals or other goals met or exceeded)
- Program office location
- One-page resumes for key personnel

- Five (5) current (preferred) client references, including a brief synopsis of service provided, all contact information
- Previous three years of audited financial statements

### **8.2.2. Unique Assets**

In this section, bidders are invited to describe unique capabilities and resources that they bring to the administration of energy efficiency and renewable resource programs. Examples might include specific financing capabilities, proven collaborative experience, experience developing utility partnership and/or co-marketing approaches to program promotion, etc.

### **8.2.3. Insurance Requirements**

Please provide a copy of current general (and professional, if available) liability insurance certificate. If the bidder is selected to become the Program Administrator, they will be required to obtain the following insurance coverage:

- Workers Compensation as required by the state of Wisconsin
- General Liability and Property Insurance including but not limited to:
  - Premises Operations
  - Products and Completed Operations
  - Personal Injury Liability
  - Contractual Liability
- Minimum Coverage requirements for General Liability are:
  - \$5,000,000 Per Occurrence
  - \$5,000,000 General Aggregate
  - \$1,000,000 Products/Completed Products Aggregate
  - \$50,000 Fire Legal Liability
- Automotive Liability coverage of at least \$1,000,000 per occurrence
- Professional Liability coverage of at least \$2,000,000

### **8.2.4. Financial Requirements**

Bidders are requested to demonstrate and verify that they have the financial resources and stability to perform the proposed work.

- Specify any preferred or desired financial terms that will facilitate your firm's ability to respond to this RFP
- Demonstrate that your firm has the financial resources to perform the proposed work (e.g., last three years of audited financial statements for the firm and any significant sub-contractors, which should include a profit and loss statement, a cash flow statement, and a balance sheet (e.g. SEC form 10-K is acceptable)
- A non-public or non-profit entity shall provide adequate information comparable to the information required above, that allows an assessment of financial status and capability
- In the event a bidder is forming a new organization to bid on this proposal, the bidder should provide comparable documents from investors, partners, and/or principals
- Bidders must clearly identify the accounting method that they propose to utilize throughout the term of the contract

The Evaluation Committee will also consider past program performance of the bidders, either in Wisconsin or outside of the state.

### 8.3. Cost Proposal (10% Weight)

Proposals should include proposed annual budgets for 2011 and 2012. For each annual budget, bidders must break out program-level budgets including Program Administrator (your team), administration (no more than 10% of budget), identified support areas you consider core competencies versus those you will be contracting out and the costs associated with those support areas. The required budget format is included in Section 6.

### 8.4. Summary of Evaluation Criteria

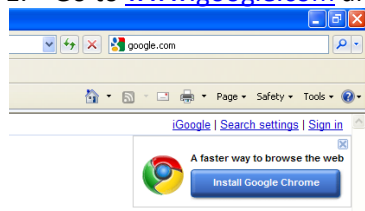
Description	Percentage
Approach <ul style="list-style-type: none"><li>• Approach to Scope of Services</li><li>• Transition Plan</li></ul>	50%
Organizational and Management Capability <ul style="list-style-type: none"><li>• Demonstrated competence and experience</li><li>• Management and organizational structure</li><li>• Ability to perform within set deadlines and budget</li><li>• Unique assets</li><li>• Ability to meet insurance requirements</li><li>• Ability to meet financial requirements</li><li>• Past Performance</li></ul>	40%
Cost Proposal <ul style="list-style-type: none"><li>• Program administration budget</li><li>• Support budgets</li></ul>	10%
<b>Total</b>	100%

### 8.5. Negotiation and Finalization

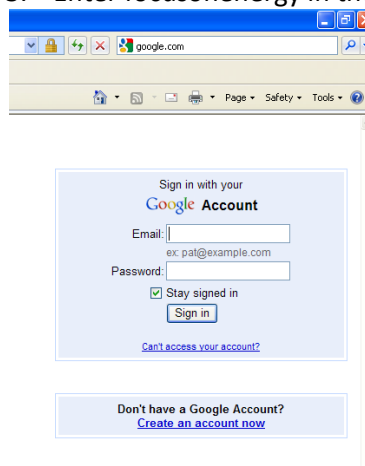
Once the Program Administrator has been selected, contract negotiations will be conducted. These negotiations will relate to the scope of work, specific program design features, budgets, schedules, payment, and termination terms due to convenience or default.

## Appendix A –Accessing the SEERA RFP Google docs Site

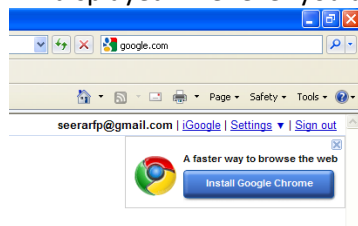
1. Go to [www.google.com](http://www.google.com) and click Sign in



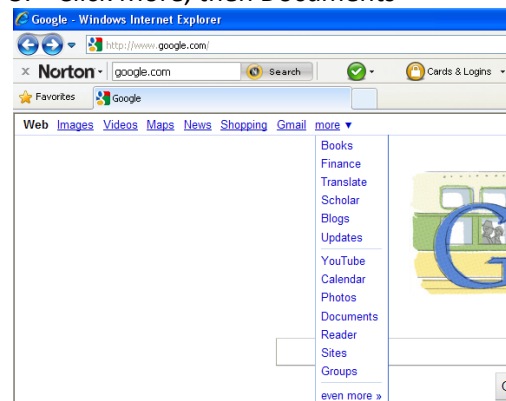
2. Enter [seerarfp@gmail.com](mailto:seerarfp@gmail.com) in the Email field
3. Enter focusonenergy in the Password field



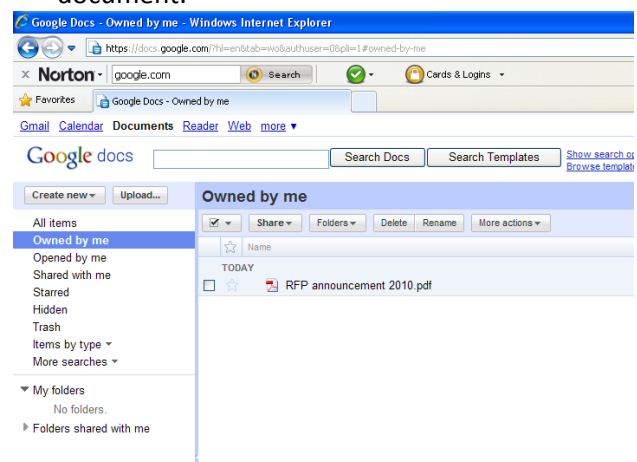
4. The [seerarfp@gmail.com](mailto:seerarfp@gmail.com) email address is displayed whenever you are logged in.



5. Click More, then Documents



6. The list of Google docs displays. Select a document.



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